

HAHN AND ASSOCIATES, INC.
ENVIRONMENTAL CONSULTANTS

March 15, 2011

Mr. Dana Bayuk
Oregon Department of Environmental Quality
Northwest Region, Portland Office
Portland Harbor Section
2020 SW Fourth Avenue, Suite 400
Portland Oregon 97201-4987

HAI Project No. 2708
DEQ ECSI File No. 84

SUBJECT: Progress Report, NW Natural Gasco Property, 7900 NW St. Helens Avenue, Portland, Oregon

Dear Mr. Bayuk:

Hahn and Associates, Inc. (HAI) has prepared this monthly Progress Report summarizing Remedial Investigation/Feasibility Study (RI/FS) and source control-related work activities conducted by NW Natural that have occurred relating to the Gasco property during the month of February 2011. NW Natural is completing upland investigatory activities at the subject property under the Voluntary Agreement No. ECV-C-WMCVC-NWR-94-13 (Voluntary Agreement) between NW Natural and the Oregon Department of Environmental Quality (DEQ).

1.0 Communications and Document Submittals

On February 2 Anchor QEA, LLC (AQ) sent EPA and DEQ an e-mail providing responses to DEQ's January 27 request for further information on the January 20 Segment 2 test data report.

A meeting with representatives of NW Natural and DEQ was conducted on February 3, 2011 to discuss key elements regarding design for HC&C source control along shoreline segments 1 and 2 at the Gasco and Siltronic properties.

In correspondence dated February 9, 2011 (Tim Stone to Mark Krening), AQ provided Waste Management, Inc. with a profile description and data for disposal of non-hazardous investigation-derived soil wastes generated from installation of Segment 2 capture zone testing wells at the NW Natural Gasco property.

In e-mail correspondence dated February 11, 2011 (Ben Hung to Dana Bayuk), AQ, on behalf of NW Natural, transmitted a draft summary of resolutions and next steps as a follow-up to the January 25, 2011 meeting with DEQ regarding human health and ecological risk assessment discussions.

In e-mail correspondence dated February 11, 2011 (Ben Hung to Dana Bayuk), AQ, on behalf of NW Natural, transmitted a draft summary of resolutions and next steps as a follow-up to the February 3, 2011 meeting with DEQ regarding discussions on source control design.

In e-mail correspondence dated February 17, 2011 (John Edwards to Dana Bayuk), AQ, on behalf of NW Natural, transmitted a technical memorandum describing the results of hydraulic conductivity testing (slug testing) of 24 wells at the NW Natural Gasco property.

In e-mail correspondence dated February 23, 2011 (Dana Bayuk to Ben Hung), DEQ provided two tables for NW Natural to use in preparing materials for a scheduled March 2011 risk assessment meeting. Specifically, DEQ provided a Table with upland human health, ecological, and source control screening criteria; and a table with drilling information, MGP observations, and data for total PAH constituents in soil.

In e-mail correspondence dated February 24, 2011 (Dana Bayuk to Ben Hung), DEQ provided NW Natural with revisions to the NW Natural-prepared summaries of the risk assessment and source control meetings of January 25 and February 3, respectively.

2.0 Field Work

Field activities related to monitoring and maintenance of the dense non-aqueous phase liquid (DNAPL) extraction system at surficial fill well locations MW-6-32 and MW-13-30 occurred during February. The system recovered approximately 56 gallons of fluids (primarily DNAPL) during February.

Discharge of treated water (groundwater from the LNG containment basin) to the City of Portland sanitary sewer was initiated on March 16, 2007 under Temporary Wastewater Discharge Permit 500.022 (expires February 15, 2012). Results of NW Natural's effluent sampling are provided to BES in Discharge Monitoring Reports that are submitted for any month that effluent sampling occurs – which is at least every other month in accordance with the permit. As of February 25, 2011, a total of 3,253,454 gallons of treated water have been discharged to the sanitary sewer in 2011.

3.0 Anticipated Activities in March and April 2011

A meeting with DEQ, EPA, and NW Natural will occur in March (completed March 3) to discuss coordination of development of remedial alternatives for the riverbank area under the EPA with the upland risk assessment. A meeting with DEQ and NW Natural was conducted immediately following the riverbank meeting to discuss beneficial water use determination for the locality of facility.

In March (scheduled for March 17), DEQ and NW Natural technical teams will meet to discuss completion of the upland human health and ecological risk assessments for Gasco.

NW Natural is working on the groundwater source control design.

A Data Summary Report documenting activities and transmitting results of NW Natural's RI activities completed to date on the Siltronic property will be submitted to in March.

Field testing of the source control pilot extraction well pumps PW-7, 8, and 9 will occur in March. The purpose of the testing is to evaluate the performance of the variable frequency drive pumping system.

First quarter 2011 groundwater monitoring activities are scheduled to occur during the second half of March.

Wet season surface water sampling within Doane Creek, as part of NW Natural RI activities related to the Siltronic property, is anticipated to occur during April.

The following reports and work plans on the Site have been submitted to DEQ for review and comment.

- Source Control Evaluation Report, "Segment 3" Siltronic Property Related to NW Natural "Gasco" Site, February 19, 2009, Anchor QEA.
- Evaluation of potential method produced biases associated with available cyanide method OIA-1677, August 14, 2009, Anchor QEA.
- Gasco Upland – Proposal on Risk Methods, June 21, 2010, Anchor QEA.
- Intent to dispose of non-hazardous petroleum-contaminated IDW soils generated by NW Natural on the Siltronic Corporation property, August 5, 2010, HAI.
- Recommendations for cyanide testing at the Gasco Site, August 17, 2010, Anchor QEA.

Should you have any questions, please contact the undersigned.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rob Ede", with a stylized flourish at the end.

Rob Ede, R.G.
Principal

robe@hahnenv.com

- c: Ms. Sandra Hart, NW Natural (electronic only)
Mr. Bob Wyatt, NW Natural (electronic only)
Ms. Patty Dost, Pearl Legal Group PC (electronic only)
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